

REMARKS**Summary of Reply**

Applicants respond to the Final Office Action mailed on May 28, 2009.

Applicants amend claims 1, 16, 18 and 25. Applicants cancel no claims and add no claims. Claims 1-27 remain pending in this application.

Discussion of Selected Cited Art**U.S. Patent No. 6,076,070 to Stack**

Stack discloses a method and apparatus to display for sale an independent seller's good at a seller-provided price. When a buyer initiates a price comparison between the seller and a third party vendor for similar goods, the apparatus described in Stack will attempt to adjust the seller's displayed price within a seller-provided threshold.

According to Stack, a transaction begins with a seller providing a description, retail price and price threshold for a good he or she wishes to sell. Buyers interested in the seller's good are presented with a list of competing vendors with the same or similar goods. A buyer can initiate a price comparison between the seller's listed retail price and a vendor's price. If the vendor's price is lower than the seller's retail price, but within the seller's price threshold, the seller's retail price is adjusted to remain in the threshold and be less than the vendor's price. If the vendor's price is lower than the seller's listed retail price and threshold, then the buyer will be referred to the cheaper vendor. If the vendor's price is higher than the seller's listed retail price, no adjustment of the seller's listed retail price occurs.

§ 103 Rejection of the Claims

Examiner rejected claims 1, 3-19, 26 and 27 under 35 U.S.C. § 103(a) as obvious over Nahan et al. (U.S. Patent No. 5,664,111, hereinafter, "Nahan") in view of Stack.

Examiner rejected claims 2 and 21-25 under 35 U.S.C. § 103(a) as obvious over Nahan in view of Stack as applied to claim 1 above, and further in view of Woolston (U.S. Patent No. 6,202,051).

Examiner rejected claim 20 under 35 U.S.C. § 103(a) as obvious over Nahan in view of Stack as applied to claim 1 above, and further in view of Reuhl et al. (U.S. Patent No. 5,873,069, hereinafter, “Reuhl”).

The Applicable Law

Applicants respectfully submit that the rejection of claims 1-27 under 35 U.S.C. § 103(a) is improper for the reason that the prior art references, when combined, fail to establish a *prima facie* case of obviousness.

As discussed in *KSR International Co. v. Teleflex Inc. et al.* (U.S. 2007), the determination of obviousness under 35 U.S.C. § 103 is a legal conclusion based on factual evidence.¹ The legal conclusion, that a claim is obvious within § 103(a), depends on at least four underlying factual issues set forth in *Graham v. John Deere Co. of Kansas City*²: (1) the scope and content of the prior art; (2) differences between the prior art and the claims at issue; (3) the level of ordinary skill in the pertinent art; and (4) evaluation of any relevant secondary considerations.

Therefore, the test for obviousness under § 103 must take into consideration the invention as a whole.³ The Examiner must, as one of the inquiries pertinent to any obviousness inquiry under 35 U.S.C. § 103, recognize and consider not only the similarities but also the critical differences between the claimed invention and the prior art.⁴

KSR v. Teleflex provides a tripartite test to evaluate obviousness. “A rationale to support a conclusion that a claim would have been obvious is that ***all the claimed elements were known*** in the prior art and one skilled in the art could have combined the elements as claimed by known methods ***with no change in their respective functions***, and ***the combination would have yielded nothing more than predictable results*** to one of ordinary skill in the art.”⁵

Application of § 103 to the Rejected Claims

¹ See *Princeton Biochemicals, Inc. v. Beckman Coulter, Inc.*, 7, 1336-37 (Fed. Cir. 2005).

² 383 U.S. 1, 17 (1966).

³ See MPEP 2141.02 I, citing, *Stratoflex, Inc. v. Aeroquip Corp.*, 713 F.2d 1530, 218 USPQ 871 (Fed. Cir. 1983); *Schenck v. Nortron Corp.*, 713 F.2d 782, 218 USPQ 698 (Fed. Cir. 1983).

⁴ See *In re Bond*, 910 F.2d 831, 834, 15 USPQ2d 1566, 1568 (Fed. Cir. 1990), reh'g denied, 1990 U.S. App. LEXIS 19971 (Fed. Cir.1990).

⁵ See *KSR International Co. v. Teleflex Inc.*, 127 S. Ct. 1727, 82 U.S.P.Q.2d 1385 (2007)). Emphasis added.

The references do not teach or suggest all of the claimed elements

Applicants respectfully submit that the Final Office Action's factual findings of disclosure by the above-listed references of the claim elements are erroneous in respect of at least some of the claim elements.

Claim 1

As amended herein, claim 1 recites, in part, the following:

establishing with a pricing agent stored in the memory of the marketer controller, a sale price at which the good may be purchased by a buyer from the independent seller, the sale price derived, independent of a sale price suggested by the seller, by a predetermined method using as input the received vendor's price for the comparable good

Emphasis added.

Accordingly, claim 1 involves establishing a sale price at which a good may be purchased by a buyer, such that the sale price is derived independent of any sale price provided by the seller.

Examiner references Stack in support of "[determining] the vendor's price; and deriving a sale price for the good from the vendor's price using a predetermined method" and hence applicants focus on distinguishing Stack from the invention of claim 1 on these points.⁶

Stack does not describe pricing a seller's good "independent of a sale price suggested by the seller."⁷ In Stack, "the price of said item sold," the predetermined price threshold triggering price reduction and the "predetermined amount" of the price reduction **are supplied by the seller**.⁸ In contrast, claim 1 specifically derives a price "independent of a sale price suggested by the seller." Thus, Stack calculates the final sales price with, and requires, a seller-provided selling price while the claimed invention of claim 1 does not use or require a seller-provided selling price.

⁶ See Final Office Action, mailed 5/28/2009, pg. 2.

⁷ Claim 1.

⁸ See Stack, Fig. 5, item 590; col. 5, lines 3-4; col. 5, lines 3-4; col. 6, lines 56-59.

The distinction manifests in exposure to market risk and incomplete knowledge. The method of claim 1 sets a fair market price by “removing direct control from the... seller.”⁹ Because the sale price at which a good is ultimately offered to buyers is derived independent of any suggested price from the seller, the seller cannot anticipate a floor for the sale price of his good. While the predetermined method referenced in claim 1 may be known to the seller, the vendor price for comparable goods is not known, and hence the established sale price cannot be known beforehand by the seller. In contrast, according to Stack, the seller always knows the floor for the price of his good. Stack describes “decreasing the price of said item by the [seller] by a predetermined amount.” The price of said item and the predetermined amount are both set by the seller.¹⁰ This allows the seller to “set a lower limit beyond which he or she will not reduce the item price. This prevents automatic price reduction below the [seller]’s cost or below a minimum target profit.”¹¹ Thus, claim 1 is patentable over Stack because Stack does not describe establishing “a sale price at which the good may be purchased by a buyer... the sale price derived, independent of a sale price suggested by the seller.”

Examiner also mistakenly notes that Nahan discloses a price based on another party’s wholesale price.¹² The cited section in Nahan describes representing the difference between the suggested retail price and the wholesale price “by [a] color which may be selected for various discounts, such as red for 20%.”¹³ The various color codes are intended to disclose to the vendor the difference between the wholesale and suggested retail price without disclosing the information to a buyer looking at the same screen, and not does suggest a new price based off the price of another.

Neither Nahan nor Stack, taken alone or in combination, discloses, or otherwise makes obvious, establishing “a sale price at which the good may be purchased by a buyer... the sale price derived, independent of a sale price suggested by the seller.” For at least these reasons, reconsideration and withdrawal of the rejection of claim 1 is respectfully requested. Similar limitations exist in independent claims 16, 18, 21 and 25. Because the remainder of the claims

⁹ See specification, page 5, lines 13-14.

¹⁰ See Stack, col. 6, lines 56-57.

¹¹ See Stack, col. 4, lines 6-9.

¹² See Final Office Action, mailed 5/28/2009, pg. 3.

¹³ See Nahan, col. 13, lines 21-22; Fig. 22.

are dependent, reconsideration and withdrawal of the rejection of claims 1 - 27 is respectfully requested.

Claim 16

As amended herein, claim 16 refers to analyzing a “set of received third party’s prices for the comparable good.”

Examiner asserts that Stack discloses “querying a plurality of third parties’ prices.”¹⁴ However, Stack merely iterates the querying process for one vendor over a set of vendors, and the derivation of the final sale price of the seller’s good relies on only one price – the lowest price. In contrast, Applicants’ claim 16 refers to using a predetermined method that analyzes “the set of received third party’s prices for the comparable good,” with potential methods including calculating the mean, mode or minimum price, or attempting to estimate the supply of goods by analyzing the data in the set in order to process a price. Thus, because claim 16 involves a method that looks at the results from multiple price requests as a set and can return values from various calculations, it is patentable over Stack. For at least this reason, reconsideration and withdrawal of the rejection of claims 16 is respectfully requested.

Claim 18

Examiner argues that Nahan in view of Stack discloses the method of claim 18. Examiner notes that Nahan “discloses that an art work being sold can list an attribute” and interprets that such an attribute can represent old / new status. However, Nahan never explicitly denotes any old / new condition. Explicitly listed conditions describe the art work in terms of genre, such as “Impressionist; Minimalist; Naïve.”¹⁵ Thus, because Nahan fails to disclose listing an old /new attribute, reconsideration and withdrawal of the rejection of claims 18 is respectfully requested.

¹⁴ See Final Office Action, mailed 5/28/2009, pg. 3.

¹⁵ See Nahan, col. 8, lines 34-37.

CONCLUSION


Applicant respectfully submits that the claims are in condition for allowance, and notification to that effect is earnestly requested. The Examiner is invited to telephone Applicant's representative at (408) 278-4042 to facilitate prosecution of this application.

If necessary, please charge any additional fees or deficiencies, or credit any overpayments to Deposit Account No. 19-0743.

Respectfully submitted,

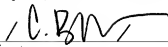
SCHWEGMAN, LUNDBERG & WOESSNER, P.A.
P.O. Box 2938
Minneapolis, MN 55402--0938
(408) 278-4042

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By 
Chia-Chi A. Li
Reg. No. 64,856

CERTIFICATE UNDER 37 CFR 1.8: The undersigned hereby certifies that this correspondence is being filed using the USPTO's electronic filing system EFS-Web, and is addressed to: Mail Stop RCE, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450 on this 28th day of October, 2009.

Chris Bartl
Name


Signature